



TESTIMONY

Submitted by Deborah R. Hoyt, President and CEO
The Connecticut Association for Healthcare at Home

Appropriations Committee Public Hearing
Regarding the Governor's Budget for Human Services

February 16, 2017

H.B. No. 7027 AN ACT CONCERNING THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE 30, 2019.

Good evening Senators Osten and Formica, Representative Walker, and members of the Appropriations Committee. My name is Deborah Hoyt, President and CEO of the Connecticut Association for Healthcare at Home.

The Association represents 65 state licensed home health and hospice agencies that foster cost-effective, person-centered healthcare for Connecticut's Medicaid population in the setting they prefer most – their own homes.

The Association and our member agencies work closely with the CT Dept. of Social Services (DSS) and have been an important provider sector in achieving the State's Long Term Care goals of Aging in Place and Rebalancing through the Money Follows the Person (MFP) Program.

While H.B. 7027 does not indicate a cut in home health agency Medicaid reimbursement in the DSS budget at this time, I feel it important to testify to remind the Committee that home health agencies are a significant savings vehicle for the State. The cost for home-based nursing, therapy and chronic care management is approximately one-third the cost of the daily rate for nursing home care, and avoids costly and unnecessary hospital emergency room visits.

An annual report developed by DSS indicates that home health agencies, in concert with other community-based providers, have SAVED the State on average \$103-million each year by keeping Medicaid clients out of institutionalized settings and cared for cost-effectively at home.

DSS's most recently reported annual savings of \$108-million in 2015 demonstrates a positive savings trend for the State, bringing the total savings to \$728-million for the period 2009-2015.

While home health agencies have been longtime willing and collaborative State partners, the home health providers in CT have been struggling in terms of continuing to afford to care for our Medicaid client population.



The financial losses and strict regulatory environment in Connecticut are making it extremely challenging for home health agencies to continue to accept our most needy and fragile residents.

The combination of:

- Flat Medicaid reimbursement rates for the past 10 years (with the exception of a modest 1 percent increase in 2014),
- Newly imposed regulations and mandates that add significant operational and staffing costs (such as Electronic Visit Verification), and
- A 15 percent Medicaid reimbursement **rate cut** in July 2016 to home health behavioral nursing

have resulted in 14 CT home health agencies stating in a recent Association survey that they are either “phasing out serving Medicaid clients through attrition, through active discharges, or by not taking any more admissions.”

Preserving the financial viability of CT’s home health agencies is critical to access to community-based care and will ensure the positive savings trend of \$103-million reported by DSS year over year.

While we clearly understand the extreme challenges that the legislature faces in making State budget decisions, we are hearing that **at least 8 other states have increased Medicaid home health agency provider rates in their respective state budgets** as a way to ensure a viable home health provider network and overall Medicaid healthcare savings.

As we anticipate federal Medicaid program changes from the Trump Administration in the form of Medicaid block grants to the states, we urge the Appropriations Committee to consider the impact of inadequate Medicaid provider reimbursement across the care continuum and reinvest in home health care, a proven and cost-effective care delivery sector.

I thank you for the opportunity to provide testimony and am available to provide additional information at any time.

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